

One Hundred Third Congress
of the
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,
the fifth day of January, one thousand nine hundred and ninety-three*

An Act

To amend title 38, United States Code, and title XIX of the Social Security Act to make technical corrections relating to the Veterans Health Care Act of 1992.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

**SECTION 1. TECHNICAL CORRECTIONS OF PROVISIONS RELATING TO
THE PRICE OF DRUGS PURCHASED BY THE DEPART-
MENT OF VETERANS AFFAIRS AND OTHER FEDERAL
AGENCIES.**

(a) IN GENERAL.—Section 8126 of title 38, United States Code, as amended by section 603 of the Veterans Health Care Act of 1992, is amended—

(1) in subsection (a)(2), by striking “preceding such date”;

(2) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking “for calendar quarters”, and

(B) in paragraph (1)—

(i) by striking “preceding the month during which the contract goes into effect”; and

(ii) by striking “increased by” and inserting “multiplied by”;

(3) by amending subsection (d)(1) to read as follows:

“(1) during any one-year period that follows the first year for which the contract is in effect, the contract price charged for the drug may not exceed the contract price charged during the preceding one-year period, increased by the percentage increase in the Consumer Price Index for all urban consumers (U.S. city average) during the 12-month period ending with the last month of such preceding one-year period for which Consumer Price Index data is available; and”; and

(4) by adding at the end the following new subsection:

“(i)(1) If the Secretary modifies a multi-year contract described in subsection (d) to include a covered drug of the manufacturer that was not available for inclusion under the contract at the time the contract went into effect, the price of the drug shall be determined as follows:

“(A) For the portion of the first contract year during which the drug is so included, the price of the drug shall be determined in accordance with subsection (a)(2), except that the reference in such subsection to ‘the one-year period beginning on the date the agreement takes effect’ shall be considered a reference to such portion of the first contract year.

“(B) For any subsequent contract year, the price of the drug shall be determined in accordance with subsection (d),

except that each reference in such subsection to ‘the first year for which the contract is in effect’ shall be considered a reference to the portion of the first contract year during which the drug is included under the contract.

“(2) In this subsection, the term ‘contract year’ means any one-year period for which a multi-year contract described in subsection (d) is in effect.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of section 603 of the Veterans Health Care Act of 1992.

SEC. 2. TECHNICAL CORRECTION OF BUDGET NEUTRALITY ADJUSTMENT FOR MEDICAID PRESCRIPTION DRUG REBATES.

(a) IN GENERAL.—Section 1927(c)(1)(B)(ii)(II) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(B)(ii)(II)), as amended by section 601(c) of the Veterans Health Care Act of 1992, is amended by striking “drug;” and inserting the following: “drug, except that for the calendar quarter beginning after September 30, 1992, and before January 1, 1993, the amount of the rebate may not exceed 50 percent of such average manufacturer price;”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 601(c) of the Veterans Health Care Act of 1992.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*